

**Ministry of Transport**

Auckland Road Pricing Evaluation Study - Submissions Analysis

May 2006

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Dear Barry

**Auckland Road Pricing Evaluation Study – Submissions Analysis**

We are pleased to present our final report summarising submissions received by the Ministry of Transport on the Auckland Road Pricing Evaluation Study.

Please do not hesitate to contact Chris Gould on (04) 462 7455, if you have any questions or wish to discuss any part of this report in more detail.

Yours sincerely

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## Table of Contents

1	Executive Summary.....	1
2	Introduction.....	2
3	General Observations.....	4
4	Analysis of Total Submissions.....	6
	Total Submissions Received	6
	Level of Support for ARPES Report Options	8
	Issues Identified	9
	Suggested Alternatives to ARPES Report Options	10
	Analysis of Individual Submissions	11
	Analysis of Submissions from Organisations	12
	Analysis of Local Authority Submissions	14
	Pro Forma Submissions	16
5	Analysis of Major Submissions.....	17
	Level of Support	17
	Congestion Relief vs. Revenue Raising	18
	Economic and Social Impacts	18
	Viable Alternatives	19
	Public Transport	19
	Governance	19
	Investment in New Roads	20
	NPV Analysis	20
	Exemptions	20
	Parking Operators	20
	Proposed New Toll Roads	21
6	Local Government Submissions.....	22
7	Conclusion.....	24
8	Appendix 1 – Sundry Statistics.....	25
9	Appendix 2 – Major Submissions .....	26

# 1 Executive Summary

1.1 The Ministry of Transport publicly released the Auckland Road Pricing Evaluation Study in mid-March. A request for submissions on the discussion document resulted in over 800 replies from individuals and organisations.

1.2 Submissions have been individually summarised and recorded in a searchable database.

1.3 Approximately 75% of submissions (excluding pro forma submissions) are identified as being against or conditionally against road pricing either in principle or as a means of addressing Auckland traffic congestion. Approximately 78% of submissions were received from individuals (the remainder coming from organisations and pro forma submissions) The degree of overall opposition to road pricing referred to above is heavily influenced by the collective views of individuals.

1.4 Submitters point to the inadequate state of Auckland's public transport network, the lack of a "ring road" to allow travel from South to North (and vice versa) without entering heavily congested areas, an aversion to the concept of road pricing on roads that are perceived to have been fully funded through existing taxes and the unfair application of a flat road pricing structure across all groups in society.

1.5 The Ministry posed four questions in its discussion document. On the whole, these questions have not been specifically addressed. Submitters have chosen to respond to the concept of road pricing generally. On a related point, submitters have tended to focus on the four road pricing options rather than the parking levy option.

1.6 Individual submitters have focussed on the private cost and associated affordability of the proposed road pricing schemes. This tends to form the basis of their opposition to road pricing.

1.7 Compared to individual submissions, those from larger organisations display a higher level of conditional support for road pricing on the basis that they recognise that Auckland's congestion issues must be addressed for the benefit of the country. Their support tends to be conditional upon investment in land transport (roads and/or public transport) prior to the implementation of road pricing. Larger organisations, including local authorities, have also focussed more upon the wider economic benefits and costs of road pricing.

1.8 Most major submissions welcome the Ministry's efforts in preparing the ARPES report and the initiative in addressing traffic congestion. Further analysis on the social and economic impacts of road pricing has been identified as a next step in what is likely to be a long and complicated process.

1.9 Local authorities are generally supportive of exploring road pricing as an option (among a possible portfolio of other options) to address congestion. The level of specific support from individual councils varies according to how that council's constituents are likely to be impacted by the proposed schemes.

## 2 Introduction

2.1 On 17 March 2006 at the Auckland Mayoral Forum, the Ministry of Transport (“the Ministry”) publicly released the Auckland Road Pricing Evaluation Study (“ARPES”). A six-week public consultation and submissions process was launched with submissions closing on 28<sup>th</sup> April 2006.

2.2 This report is a high-level analysis of the submissions received. The report presents key metrics related to the submissions and the themes contained within. The objective of the report is to provide an understanding of the level of support for road pricing in Auckland and the degree to which support or opposition is conditional on other factors.

2.3 To gain this level of understanding a database has been developed that summarises each of the submissions and is able to be sorted and searched by way of a number of filters. The filters are as follows:

- Individual submission or organisation submission
- Name of the individual/organisation
- Organisation type
- Size of the submission
- Locality of the submitter
- General level of support for each of the proposed options
- Issues identified in the submission
- Recommended alternative options

2.4 We have also identified and summarised the collective themes that are represented in submissions received from key stakeholders. These organisations include local authorities, transport sector organisations and other large business organisations.

2.5 Our report is based solely on submissions received by the Ministry. We have had no contact with any submitters in relation to the ARPES report.

2.6 In preparing this report, we have relied upon, and assumed the accuracy and completeness of, all the information made available to us from organisations that have provided information relevant to our report. We have evaluated that information through analysis, inquiry and review but have not sought to verify the accuracy or completeness of any such information. It should not be construed that we have conducted an audit of the information.

2.7 In preparing this report, we have relied on information that has not been independently verified. The statements and opinions expressed in this report have been made in good faith. Accordingly, neither PricewaterhouseCoopers nor its partners, employees or agents, accept any responsibility or liability for any such information being inaccurate, incomplete, unreliable or not soundly based, or for any errors in the analysis, statements and opinions provided in this report resulting directly or indirectly from any such circumstances, or from any assumptions upon which this work is based, proving unjustified.

2.8 We reserve the right, but are under no obligation, to revise or amend our report if any additional information which exists on the date of this report, subsequently comes to light.

2.9 This report has been prepared solely for use by the Ministry for the purpose of assisting it in its consideration of submissions made in relation to the ARPES report. We accept no responsibility to any other party, unless specifically agreed by us in writing. Furthermore, we accept no responsibility for any reliance that may be placed on this report should it be used for any purpose other than that set out above.

2.10 We understand that there is the possibility that this report will be made publicly available. We request that the Ministry advise us prior to releasing this report to third parties.

## 3 General Observations

3.1 The Ministry received over 800 uniquely identifiable submissions in response to the ARPES report. General observations on the key themes represented across these submissions are presented in this section.

3.2 In general, there is a strong level of opposition to the concept of road pricing as a means of addressing Auckland's traffic congestion problems. Approximately three quarters of submissions are against or broadly against road pricing. Opposition to road pricing is on a number of grounds.

- Roads are viewed as a free public good and there is fundamental opposition to the idea of charging for that good. Implicit in this view is the notion that submitters see road pricing as charge for roads rather than a means to price congestion on those roads and influence an individual's decision to use private transport in peak congestion times.
- Where submitters have identified that roads are not a free good, they tend to feel that existing roads (particularly assets that were subject to a tolling regime at some stage such as the Harbour Bridge) have already been fully paid for through existing central government taxes, local rates, fuel excises and road user charges. As such, the view tends to be that the roads are owned by the people and they resent the notion of additional charges for their use.
- The standard of Auckland's public transport system is highlighted in the majority of submissions as one of the key contributors to Auckland congestion. People seem reluctant to use public transport because it is viewed as:
  - Inconvenient – commuters cannot get where they want to go within a reasonable timeframe;
  - Expensive – many submitters pointed out that even with recent increases in fuel prices, public transport is a more expensive option than private vehicle transport. This is frequently due to multiple fares being required for a single journey;
  - Unreliable – trains and buses do not run to advertised schedules; and/or
  - Unsafe – long walks in unlit areas to bus stops and train stops are viewed as a significant deterrent to using public transport.
- A lack of cycleways and walkways in and out of the city has also been raised, particularly in relation to the Harbour Bridge.
- There is no "ring road" or alternative route from South to North, other than through heavily congested areas, and this is viewed as a key contributor to congestion.
- A flat pricing structure for roads is viewed as being inequitable insofar as it is likely to have a greater relative impact on lower socioeconomic groups because the charge will represent a greater proportion of the disposable income of these groups.
- Several of the more detailed submissions contain comments to the effect that the ARPES report has not fully considered the spectrum of social and economic impacts likely to arise out of a road pricing scheme.

- A large group of submitters express concerns over the ability of road pricing to reduce congestion on the basis that many commuters have no viable alternative other than private vehicle transportation.

3.3 There is very limited unconditional support for the concept of road pricing. Where support is indicated, it is often accompanied by conditions such as:

- Investment is required in land transport – roads and/or public transport – prior to road pricing so that commuters have a viable alternative;
- Exemptions should be given for particular groups. Intended either to address equity concerns or serve the interests of particular submitting groups;
- Revenue raised through road pricing should be directed towards land transport projects – roads and/or public transport; and
- The ARPES report should be developed further to include a full consideration of possible social and economic impacts.

3.4 We note that the vast majority (we estimate circa 80%) of submissions have not been drafted or structured in a way that addresses the questions posed by the Ministry in the discussion document. Where responses to specific questions have been provided, we have sought to reflect this in the comments provided in this report.

3.5 Submissions from organisations or entities representing large groups of constituents tend to be measured in their appraisal of the ARPES report. On the whole, these groups recognise that action is required to address Auckland's traffic congestion problems and that road pricing may be a necessary response. There is a greater level of conditional support for road pricing observed in these submissions. While, individual submitters reference the private cost and associated affordability of the proposed road pricing options, submissions from organisations tend to focus more on the wider economic implications of road pricing.

## 4 Analysis of Total Submissions

4.1 In this section we present broad metrics around the submissions received by the Ministry. The analysis is based on our review of all submissions.

### Total Submissions Received

4.2 The Ministry received a total of 812 uniquely identifiable submissions. Submissions have been broadly classified as falling in to one of three groups:

- Individual submissions – where a submission has been made as an individual person not on behalf of an organisation or group.
- Organisation submissions – where a submission has clearly been made on behalf of an organisation and is deemed to represent the collective views of that organisation. This excludes submissions made by individuals who have indicated that they are employed by a particular organisation but that individual’s views cannot be construed as being representative of that organisation’s views.
- Pro forma submissions – where a number of submissions have been received with identical or very similar content or a submission has been received indicating support for a prior submission without adding any further content. In the case of the latter situation, the precedent submission is included in the individual submissions category while submissions indicating their support are included in the pro forma category.

4.3 The breakdown of total submissions received by individuals, organisations and pro forma submissions is detailed in Table 1.

**Table 1. Total Submissions by Individual, Organisation and Pro forma type.**

	<b>Number of Submissions</b>	<b>%</b>
Individuals	628	77%
Organisations	66	8%
Pro forma submissions	118	15%
<b>Total</b>	<b>812</b>	<b>100%</b>

4.4 Submissions received from organisations have been further classified according to the organisation types represented in Table 2. Organisation types are defined as follows:

- Large corporate – a commercial entity that is recognised name/brand and has reasonably large scale operations.
- SME – a small to medium-sized enterprise. A commercial entity of a lesser scale than a large corporate.
- Local authority – City, district or regional councils. This excludes community boards that have submitted on local authority letterheads.
- Transport sector group – Includes commercial transport operators (e.g. logistics firms), regional transport committees or authorities and transport interest or advocacy groups (e.g. Automobile Association, New Zealand Taxi Federation).
- Business group – Organisations representing the interests of businesses either at a national or regional level.
- Other advocacy group – Organisations representing the interests of some other group in society (e.g. IHC, Bike New Zealand)
- Other organisation – Another organisation not falling in to the above categories.

**Table 2. Submitting Organisations by Type.**

Organisation Type	Number of Submissions	%
Large Corporate	5	8%
SME	10	15%
Local Authority	14	21%
Transport Sector Group	5	8%
Business Group	7	11%
Other Advocacy Group	8	12%
Other Organisation	17	26%
<b>Total</b>	<b>66</b>	<b>100%</b>

## Level of Support for ARPES Report Options

4.5 Each submission has been assessed for its level of support indicated for the five options outlined in the ARPES report. The indicative level of support is best measured across a spectrum of factors rather than a binary for or against approach. The definitions of the support categories are as follows.

- Broad support – the submitter is broadly in favour of considering road pricing as a method of reducing congestion, generally in conjunction with other methods.
- Conditional support – the submitter is supportive of road pricing if certain conditions are met first, such as investment in public transport or exemptions for particular groups.
- Broadly against – the submitter is generally not in favour of road pricing as a response to congestion but acknowledges that congestion is a major issue and that road pricing is an option that may have to be considered at some stage in the future if other options prove unsuccessful. Such submissions tend to view road pricing as the option of last resort.
- Against – the submitter is against road pricing as a policy response without any qualification.
- Not clear – there is not sufficient information in the submission to determine the submitter’s level of support for road pricing or information is contradictory.

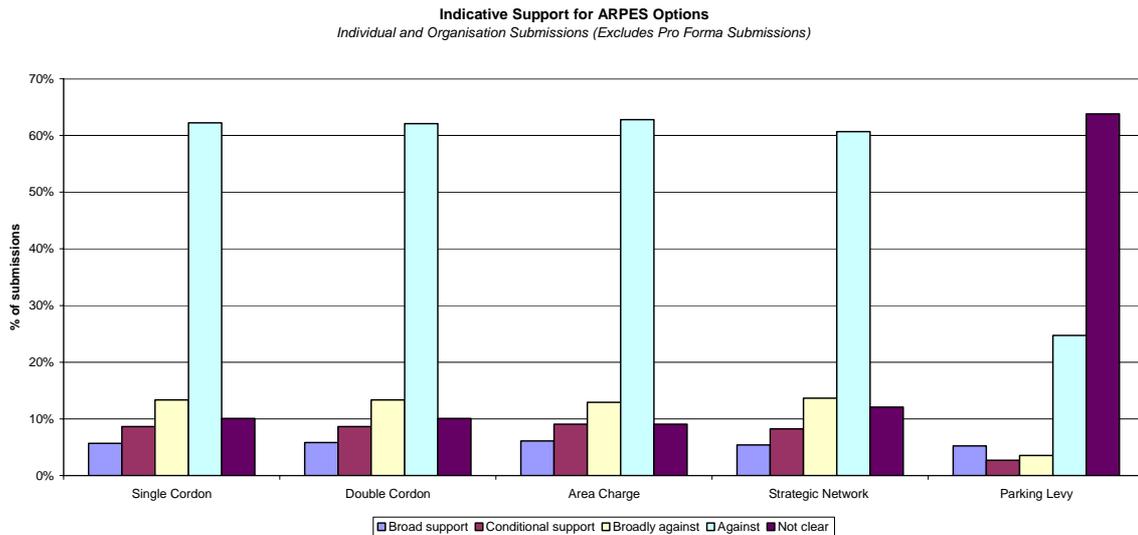
4.6 Almost all of the submissions do not distinguish between the “parking levy” option from the other options outlined in the ARPES report. Notwithstanding the significantly different nature of the parking levy option (which is not directly linked to travel on congested roads) these submissions tend to focus on road pricing only (i.e. the cordon and strategic network options).

4.7 For the purposes of recording the submissions made, it has been assumed that unless specific mention is made in relation to the parking levy option the submissions have been entered as “Not clear”. This is shown in Figure 1 below.

4.8 An alternative approach could have been to reallocate responses in relation to the parking levy option in the same proportion as those in relation to the cordon and strategic network charges options. This can be easily done, if required, given the way that the database has been set up.

4.9 The indicative level of support for each of the five options outlined in the ARPES report across all submissions is presented in Figure 1. If a submitter indicated a particular level of support for road pricing or congestion charging in general, that level of support has been applied across the four applicable options.

Figure 1.



4.10 There is a common pattern in the observations concerning the four road pricing options (single cordon, double cordon, area charge and strategic network). This could be interpreted as meaning that the vast majority of submissions did not distinguish between the four options or considered their relative support or opposition for each option to be broadly uniform across the options i.e. simply do not like the idea of road pricing.

4.11 These results are heavily influenced by the collective views of individuals as they comprise the vast majority of submissions by number.

### Issues Identified

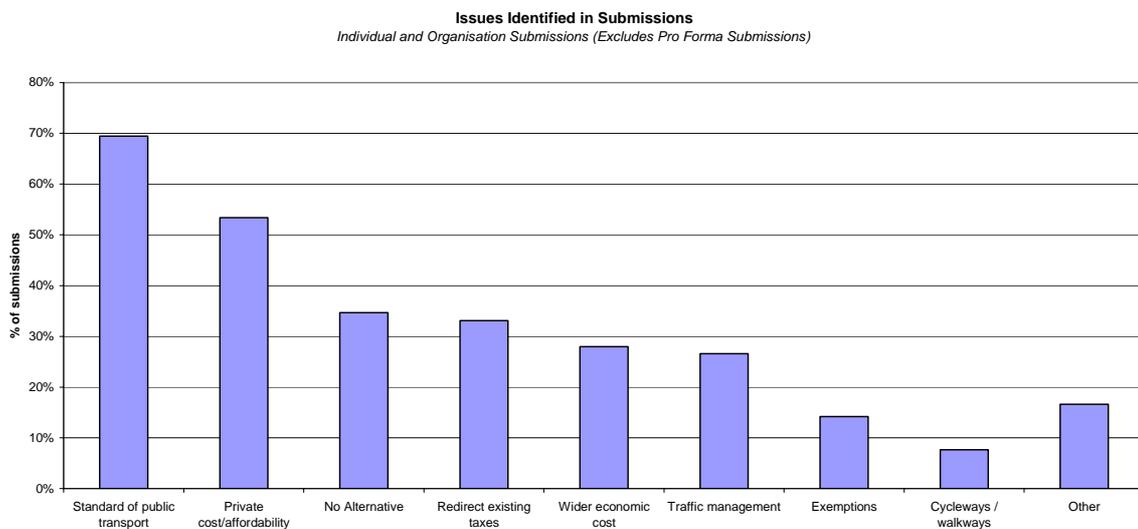
4.12 Generally, submitters have expressed an opinion on the causes of congestion in Auckland and have identified issues with the options outlined in the ARPES report.

4.13 Figure 2 indicates the frequency of issues raised across all submissions. Broad definitions of the issues contained in Figure 2 are as follows.

- Standard of public transport – submitters have cited the standard of public transport as a key issue related to Auckland’s congestion problems.
- Private cost/affordability – submitters have indicated that personal or family hardship would result if the ARPES report options were to be implemented.
- No alternative – submitters have stated that they use a private vehicle during peak traffic flows because they have no viable alternative (this issue is frequently associated with the standard of public transport issue and, to a much lesser extent, cycleways/walkways).
- Redirecting existing taxes – submitters have identified the allocation of existing road taxes as being an issue of importance to them.
- Wider economic cost – submitters have identified broad economic costs to society as a potential issue in relation to the proposed schemes.

- Traffic management – submitters have indicated that traffic management is contributing to congestion problems and/or could be better used to relieve congestion.
- Exemptions – submitters have made a case for exempting certain groups from proposed congestion charges.
- Cycleways/walkways – submitters have noted the lack of cycleways or walkways around Auckland as a contributing factor to congestion and/or advocated them as a means of alleviating congestion.
- Other – any other issue.

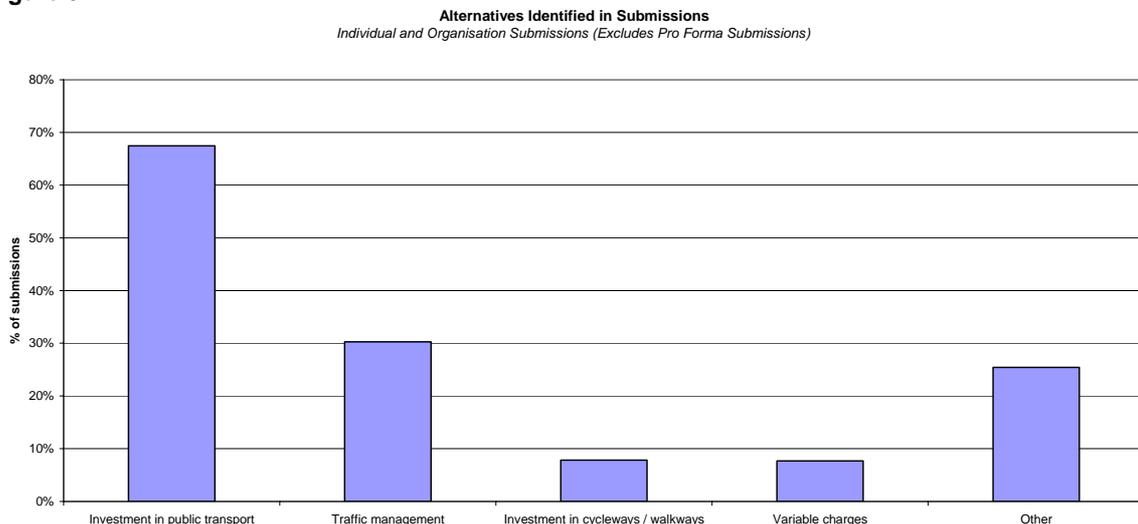
**Figure 2.**



## Suggested Alternatives to ARPES Report Options

4.14 Figure 3 identifies the frequency of alternative options to the schemes outlined in the ARPES report suggested within the submissions. The definitions of the alternatives suggested are largely self-explanatory with the exception of the variable charges options. This refers to variations on the proposed road pricing schemes such as, for example, exemptions or different charges according to the type of user.

**Figure 3.**



## Analysis of Individual Submissions

4.15 This section examines the subset of submissions received from individuals.

Figure 7.

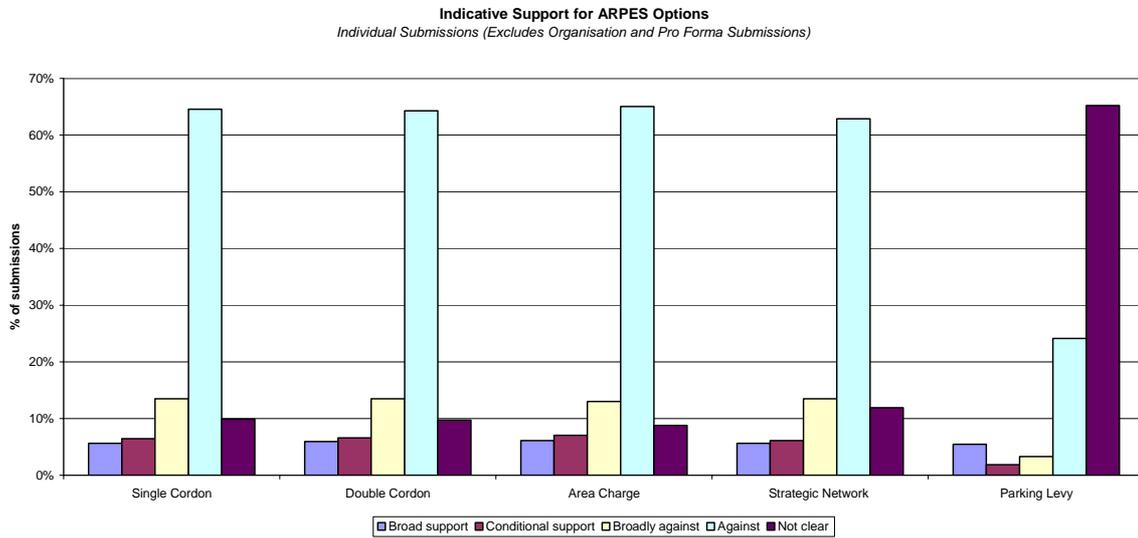


Figure 8.

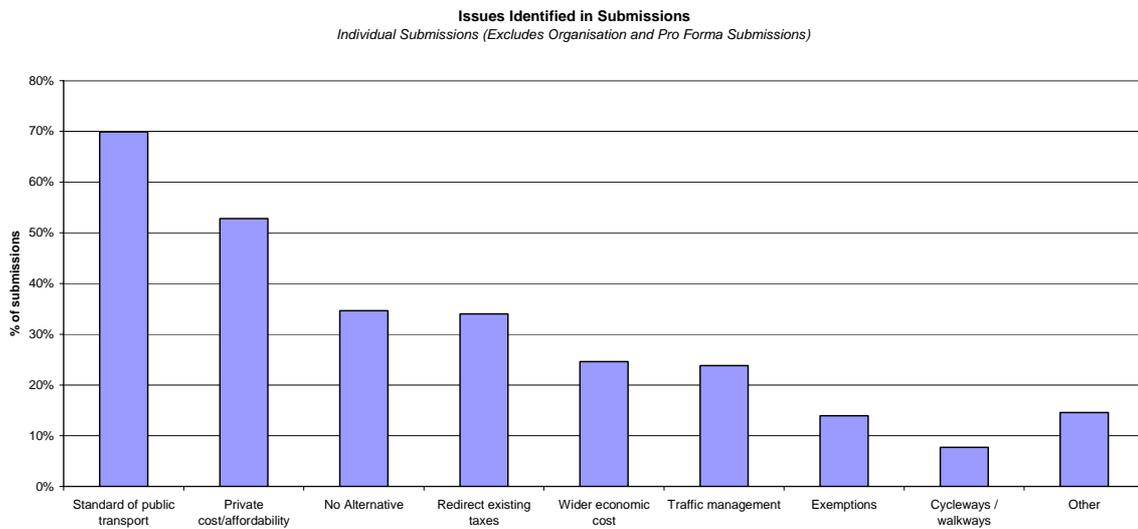
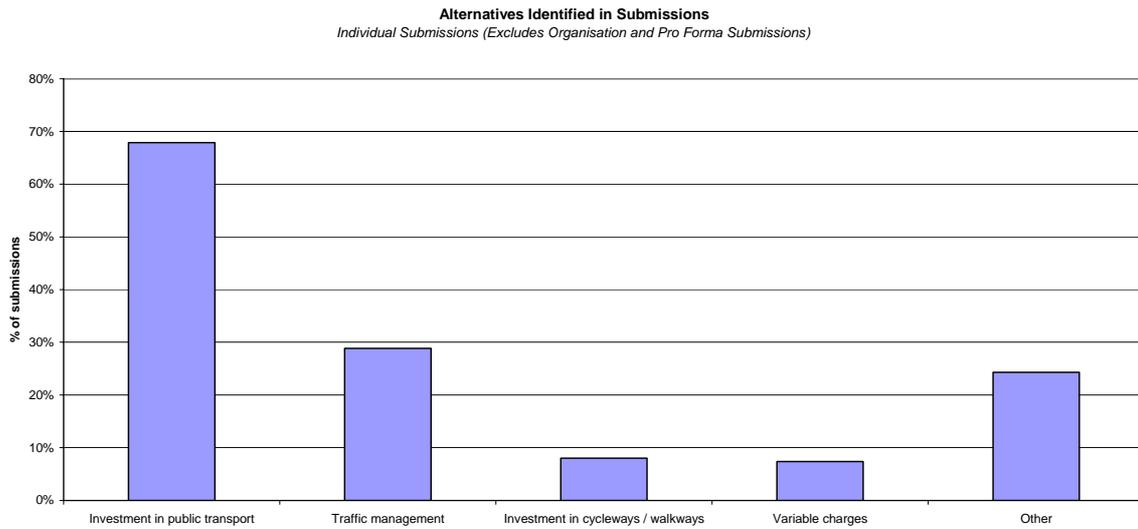


Figure 9.



## Analysis of Submissions from Organisations

4.16 This section examines the subset of submissions received on behalf of organisations.

Figure 10.

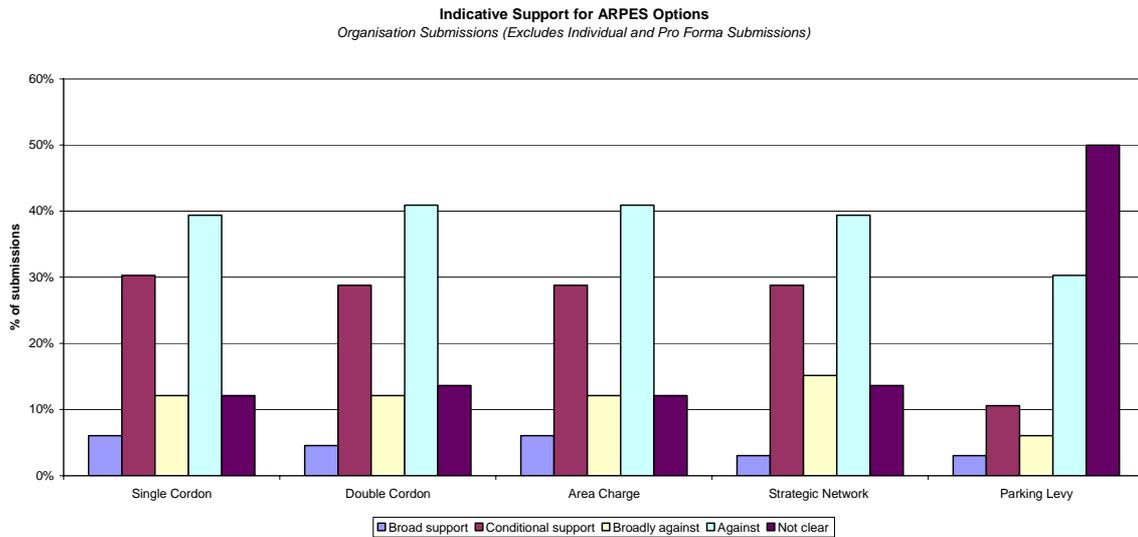


Figure 11.

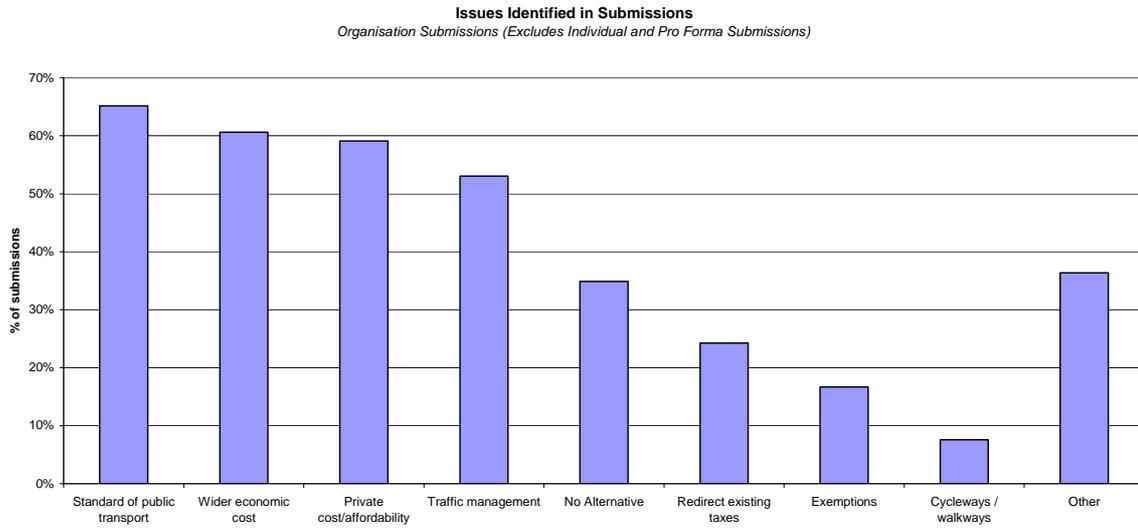
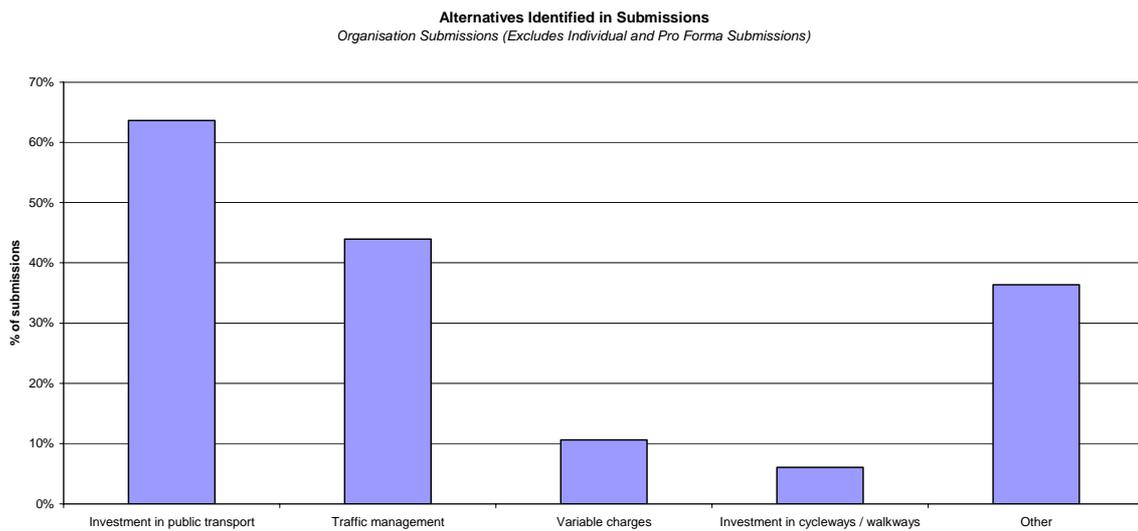


Figure 12.



## Analysis of Local Authority Submissions

4.17 Submissions were received from eleven local authorities plus the Auckland Regional Land Transport Committee and the Auckland Regional Transport Authority. A submission was also received from SmartGrowth, an organisation that broadly represents the transport interests of the Bay of Plenty/Western Bay of Plenty region. A total of fourteen organisations, submissions are classified as Local Authority submissions. The profile of indicative support is markedly different to other submitters:

Figure 13.

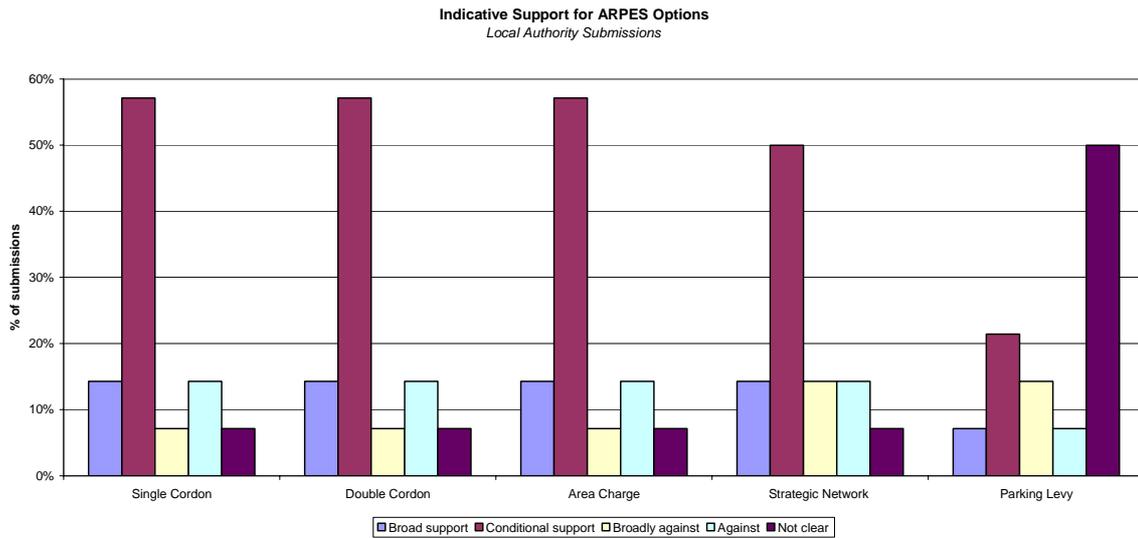


Figure 14.

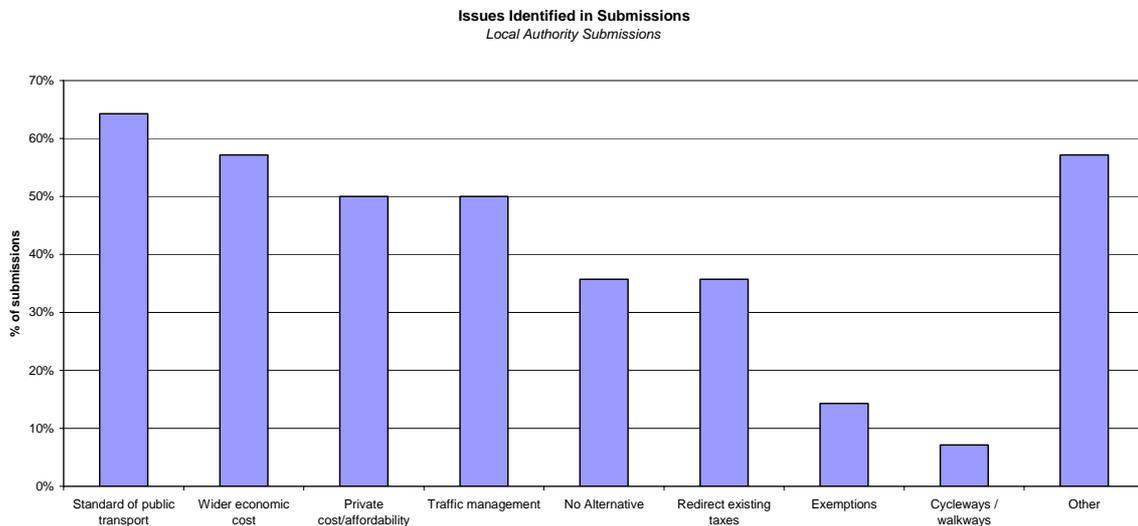
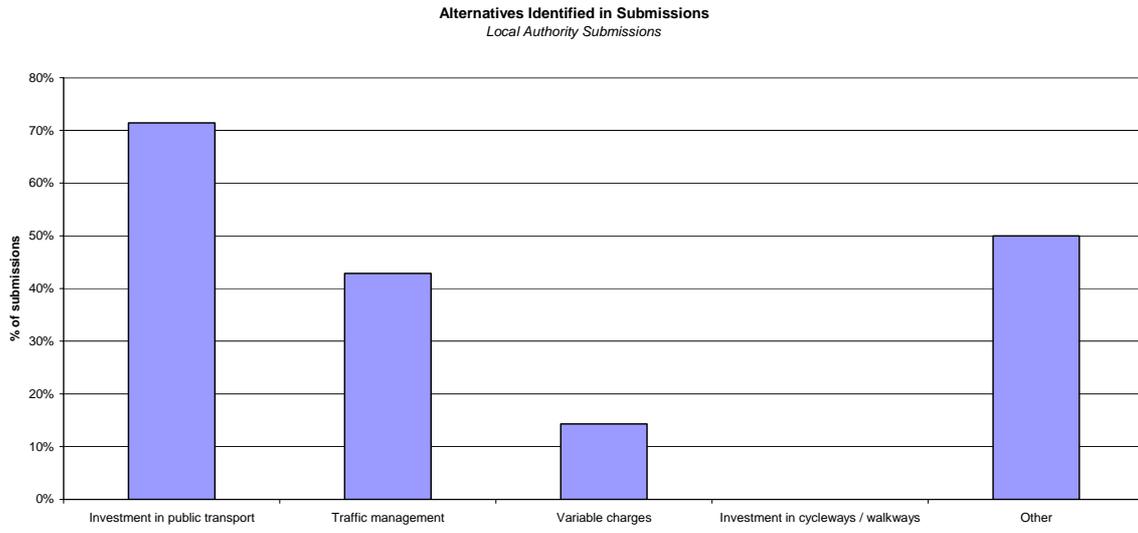


Figure 15.



## Pro Forma Submissions

4.18 Three large groups of pro forma submissions and a number of smaller groups of submissions supporting a particular precedent submission were received by the Ministry. Table 3 details the number of submissions received from each major group with minor groups consolidated together in the “Other” category.

**Table 3.**

Submitting Group/Individual	Number of Pro Forma Submissions Received
A group of central Auckland City businesses and landowners	36
Residents Action Movement	33
A motorcyclists advocacy group	32
Other	17

4.19 The group of submissions from 36 central Auckland city businesses and landowners opposes road pricing. Their submission points to a perceived lack prior consultation with retailers and other businesses and the subsequent lack of consideration of the potential impact on the Auckland downtown area. Furthermore, this submission calls for the “vigorous and unabated development of an extensive public transport network for Auckland”.

4.20 The Residents Action Movement submissions oppose road pricing and parking levies for Auckland. Their submissions state that they:

- consider that they have fully paid for existing roads through local body rates, central government taxes, and other transport related taxes;
- want an efficient public transport network and see this as the best means to alleviate traffic congestion; and
- want the Ministry to disregard the views of the Auckland Mayoral Forum as they do not consider this forum to be representative of constituents views.

4.21 The submissions from a motorcycling advocacy group calls for motorcycles to be exempted from any proposed road pricing scheme. Furthermore, these submissions encourage the Ministry to explore means to encourage further use of motorcycles on the basis that they could make a significant contribution to a reduction in traffic congestion.

## 5 Analysis of Major Submissions

5.1 This section summarises issues raised in submissions received from groups representing significant constituencies (although they have not necessarily surveyed their constituents) or significant interest groups. In seeking to define the subset of significant contributors we have considered submissions from groups that:

- Are local authorities (within the greater Auckland area and elsewhere); or
- Represent large numbers of residents who are likely to be impacted by one or more of the schemes outlined in the ARPES report; or
- Represent large individual commercial enterprises or groups of enterprises likely to be impacted by the schemes outlined in the ARPES report; or
- Represent large individual non-commercial enterprises likely to be impacted by the schemes outlined in the ARPES report; or
- Represent business interests at a regional or national level; or
- Are regional or national transport forums or represent various sectors of the transport industry (commercial or otherwise).

5.2 The complete list of the 39 submissions that form the “major submissions” subset is contained in Appendix 2.

### Level of Support

5.3 In general, the major submissions indicated a mix of qualified support and opposition to the schemes outlined in the ARPES report. Most major submissions welcomed the ARPES and the opportunity to provide input into the process. This is on the basis that major submitters recognised that a viable long-term solution to Auckland’s congestion issues is required.

5.4 Few of the submissions express a distinct view on each of the five options outlined in the ARPES report. Accordingly, discrete impact assessments on each of the five proposed options do not tend to feature in the submissions. This could be due a number of factors:

- insufficient time available to submitters to formulate views on each option;
- insufficient effort applied by submitters to understanding the various schemes and the implications of each; and/or,
- a view from submitters that it was not the correct stage of the process to express a view on individual options.

5.5 Those submissions that reject all five options are exceptions to this observation, although it is questionable whether such submissions represent an informed view on each of the five options or rather a fundamental opposition to the broad concept of additional road charges or parking levies. Some of the submissions received from local authorities express a preference for some options over others.

5.6 One exception to this is the New Zealand Business Council for Sustainable Development (“NZBC”) which indicates a preference for either the area charge or the double cordon. It would appear that this preference is not necessarily intended to represent opposition to the other three options, it is more an indication that, of the five options proposed, the area charge and double

cordon show the most promise as a road pricing tool that could form part of a portfolio of traffic congestion measures.

5.7 Other traffic congestion tools proposed by NZBC and others as part of the portfolio approach include an effective public transport system tailored to suit Auckland's low population density, demand measures such as the walking school bus programme and traffic management measures such as high occupancy vehicle lanes and adjusting the timing of education related travel.

## **Congestion Relief vs. Revenue Raising**

5.8 Many of the major submissions do not distinguish between road pricing for congestion alleviation purposes and road pricing for the purposes of increasing the level of available land transport funding. Some submissions view the road pricing options as an opportunity to increase the level of available funding. These submitters tend to view the proposed scheme as a direct revenue source for Auckland's territorial local authorities. Questions regarding the activities that this revenue source will be applied to feature in these submissions. Most submissions state that revenue raised should be ear-marked for Auckland transport projects. Some submissions stipulate that these projects relate to public transport, others consider new roads to be the priority and some do not specifically express a preference.

5.9 Some submitters perceive the proposed schemes as being designed to raise revenue rather than reduce congestion. This is a source of opposition for some major submitters who are of the opinion that existing roads have already been fully paid for through current road charges. A small number of these submissions note that road pricing may not be the most efficient method for raising revenue, preferring regional fuel taxes for example. Other submitters see the proposed schemes as an opportunity to raise revenue even if this is not the only, or primary, motivation.

5.10 Some major submitters view the proposed schemes as a mixture of relieving traffic congestion and funding roads. Very few submissions perceive the proposed schemes purely as a means of relieving congestion by attempting to internalise an economic externality. Stakeholders consider that the objectives of the road pricing options and the application of revenue raised to be key issues. This is highlighted by the large number of submissions that focus on the revenue gathering potential of the charge.

5.11 Several submissions recognise that it may be necessary to include some form of road pricing as one of a number of tools used to address Auckland's congestion problem. Such submissions indicate that there is a certain degree of understanding from some quarters regarding the desired outcome from congestion charges.

## **Economic and Social Impacts**

5.12 Major submitters generally say that further analysis is required, particularly around the economic and social impacts of the proposed charges. Many major submitters recognised that the purpose of ARPES report is to inform the development of enabling legislation and that the decision to implement congestion charges on existing roads would follow after further analysis and public consultation. Most major submitters have commended the Ministry on what effectively represents a good start to what will be a long and detailed process. Also, for comparative purposes, some analysis on the status quo option or "no-pricing" approach was deemed necessary to gauge the effectiveness of the proposed options.

5.13 Some of the social and economic impacts that are identified in the submissions as being important to consider prior to making a decision on road pricing include:

- The impact of a reduction in congestion on Auckland’s international competitiveness as a city. That is, Auckland’s attractiveness as a place to locate a business, invest, work or study.
- The quantum of productivity gains that might arise from travel-time savings.
- The social impacts of residents and families relocating to be closer to their place of work/school or shifting their place of work/school to be closer to their homes.
- The social and economic impact of a road pricing scheme on the inner/downtown areas of Auckland City.
- The equity impacts of a road pricing scheme. In particular, the effects on different socioeconomic groups. Numerous submissions note that the proposed road pricing schemes are likely to have a far greater impact on lower socioeconomic groups than on others.

## Viable Alternatives

5.14 Most major submissions raise the need for a viable alternative, either roads and/or public transport, to paying the proposed congestion charges. These submissions point to there being no “ring road” in Auckland to avoid the central city if travelling from north to south or vice versa, the inadequate standard of public transport in Auckland and a lack of cycleways/walkways. These submitters are concerned that unless a viable alternative to private vehicle transportation is available a congestion charge will have little impact other than to redistribute income resulting in a dead weight loss to society.

5.15 A small number of submissions point out that the proposed strategic network charge may have the impact of diverting traffic onto local roads unable to cope with increased volumes. The issue of diverting people from using private vehicles to using public transport and the ability of the current public transport to cope with increased volumes at peak times is also raised as an issue.

## Public Transport

5.16 Most major submissions make mention of a requirement for significant investment to improve the standard of Auckland’s public transport network before any congestion charge is considered. Some submitters suggest that the congestion charge could be introduced in conjunction with investment in public transport. Others suggest that revenue raised via road pricing could be directed towards public transport. Regardless of the mechanism for investing in public transport, it is clear that the standard of public transport is widely perceived to be a significant contributor to Auckland’s traffic congestion problems. Some submitters note that creating an effective mass transit system for Auckland is difficult, citing factors such as a low population density and geographic constraints related to Auckland’s location on a narrow isthmus.

## Governance

5.17 Several major submissions raise the issue of governance of the proposed schemes, specifically the management and allocation of revenue raised. A related point, raised in at least one major submission, is that responsibility for broad governance over roads is centrally held rather than at a regional level, notwithstanding the various regional land transport strategy groups that exist. This is cited as a possible contributor to the congestion issues facing the Auckland region in the form of poor investment and pricing decisions.

## Investment in New Roads

5.18 Some major submissions assert that there are not enough roads for Auckland's population and dispute what they perceive as a view in the ARPES report that investment in new roads is not the solution to traffic congestion on existing roads. Submissions from the New Zealand Automobile Association ("AA") and New Zealand Business Roundtable ("NZBR") specifically reference this issue. The AA describes Auckland's current motorway capacity as being suboptimal and a significant barrier to economic development. They state that the ARPES report contains "unreferenced and unsubstantiated" assertions that investment in more road capacity is not a solution to congestion. The NZBR states that it is an inefficient policy response to raise congestion charges in order to address suboptimal road capacity investment without at the same time considering the need for optimal investment. The NZBR states that there should be a joint optimisation between efficient investment and efficient pricing.

5.19 On a related point, several major submissions raise concerns about the allocation of existing taxes levied on road users. The focus of this issue tends to be whether or not part of the existing tax take should be directed to the Crown Account or to investment in roads.

## NPV Analysis

5.20 Submissions from the Auckland Regional Council ("ARC") and Auckland Regional Transport Authority ("ARTA") state that the net present value approach taken by ARPES report is not necessarily helpful for analysis by organisations such as theirs. They would have preferred a focus on cash flows and the timing of cash flows. These organisations assume that they stand to receive revenue raised from congestion charges and would have responsibility for investing that revenue.

## Exemptions

5.21 Several submissions note the need to consider exemptions to the proposed schemes for certain groups. The grounds for exemption are on the basis of perceived inequities that could arise, fairness or commercial reasons. The New Zealand Taxi Federation ("NZTF") makes a case for exemption from the proposed schemes on the basis that an anticompetitive situation between buses and taxis will arise (the ARPES report having indicated that buses will be exempt from any charges). NZTF asserts that taxis are recognised by Land Transport New Zealand as being a public passenger transport service and should therefore be subject to the same exemptions as applies to buses.

## Parking Operators

5.22 Operators of parking businesses including Parking New Zealand Limited, Tournament Parking Limited ("TPL") and Metro Parking Limited ("MPL") uniformly oppose the parking levy option. Aside from their commercial motivation (in relation to the likely reduction in demand due to a parking levy), these companies consider that the proposed parking levy scheme unfairly penalises some road users. Road users who travel through congested roads but do not park in the proposed area liable for parking levies will not face the costs of their contribution to congestion, unlike those paying the proposed parking levy.

5.23 The TPL submission states that 70% of Auckland CBD parking revenue accrues to Auckland City Council via its parking operations and rates and to the Crown from GST and company tax on private parking operators. Their position is that any levy will simply add to this revenue stream without having the desired impact on traffic flows.

5.24 As with most other major submissions, MPL considers that the development of an efficient, reliable public transport system should be developed before congestion charges or parking levies are considered.

### **Proposed New Toll Roads**

5.25 Several major submissions refer to possible toll roads, including the Western Ring Route (SH20). These submissions refer to the need to consider the social and economic impacts of the proposed options with the planned tolling of the Western Ring Route. At least one major submission noted inconsistencies between the forecast revenue, operating costs and capital expenditure costs for the proposed strategic network charge detailed in the ARPES report and the revenue that Transit New Zealand is forecasting to arise from the tolling of the Western Ring Route.

## 6 Local Government Submissions

6.1 Submissions were received from eleven local authorities. In most cases these authorities represent residents likely to be impacted to varying degrees by the proposed schemes. Included are submissions from the four city councils in the comprising the Auckland area – Auckland City Council (“ACC”), North Shore City Council (“NSCC”), Manukau City Council (“MCC”) and Waitakere City Council (“WCC”). Others in this group of territorial local authorities include Auckland Regional Council (“ARC”), Papakura District Council (“PDC”), Franklin District Council (“FDC”), Whangarei District Council (“WDC”), Northland Regional Council (“NRC”), Rodney District Council (“RDC”) and Greater Wellington Regional Council (“GWRC”).

6.2 The Northland Mayoral Forum, comprising the mayors of the Far North District Council, Kaipara District Council, WDC and NRC, indicated their support of the NRC submission by way of a jointly signed letter.

6.3 In addition to the eleven local authorities, a submission was received from the SmartGrowth Implementation Committee. This group represents the transport related interests of the Bay of Plenty Regional Council, Tauranga City Council, the Western Bay of Plenty District Council, Tangata Whenua and Transit New Zealand (on a regional level) through its SmartTransport arm.

6.4 Submissions were also received from the Auckland Regional Land Transport Committee and the Auckland Regional Transport Authority.

6.5 At the Ministry’s request, key themes represented in each of the submissions from local authorities have been briefly summarised on the basis that these submissions represent a large proportion of the population likely to be impacted by the schemes outlined in the ARPES report.

6.6 Northland councils (NRC and WDC) raise concerns that, under the proposed road pricing schemes, their residents will be the only group in New Zealand required to pay an “exit tax” to travel to other parts of the country. As such, both councils call for an exemption for residents travelling further south through the proposed cordon areas. If such an exemption forms part of the final proposal, the NRC broadly supports the schemes proposed in the ARPES report, recognising that Auckland’s congestion problems have a national impact. The WDC supports only the parking levy option.

6.7 ACC indicates its support for some form of road pricing on the basis that new revenue streams are required to ensure that sufficient investment is made to the region’s road capacity. The ACC submission states that it does not consider that the ARPES report contains sufficient detail on each of the proposed options for it to indicate a preference. It suggests that the next step is to undertake further analysis in order to refine the scheme designs.

6.8 NSCC recognises the importance of addressing traffic congestion in the Auckland region and sees merit in the use of road pricing as a means to reduce private car travel during peak congestion periods. This broad support for the concept of road pricing is accompanied by concerns around the equity, effectiveness and cost of the proposed schemes. Principle concerns relate to a lack of viable alternatives for North Shore residents given the inadequate nature of public transport and the requirement to use the harbour bridge, the impact of the schemes on different groups in society e.g. lower income families, and that existing assets such as the harbour bridge have been fully paid for through prior tolls and other road taxes.

6.9 MCC does not support the concept of road pricing or parking levies at this stage, however, it is prepared to work with the Ministry and others to consider options to tackle Auckland traffic congestion. MCC’s opposition relates to the perceived negative impact of the proposed schemes on its residents and business community. Some lower income MCC communities share a

boundary with the proposed cordons. It is the impact on these communities that MCC is concerned about most. MCC indicates in its submission that if a road pricing scheme were introduced, it considers it essential that the revenue is used to invest in Auckland regional transport projects.

6.10 WCC is broadly supportive of the ARPES report and its assertion that a road pricing scheme could reduce congestion and generate surplus revenue for investment into regional transport projects. It is however, opposed to the strategic network option and parking levy proposal. Opposition to the latter is on the basis that it believes a parking levy infringes private property rights. As part of its submission, WCC has considered the impact of the various options from an environmental perspective. From this standpoint it considers that the double cordon option and area charge scheme are most beneficial to the region. WCC is also clearly of the opinion that congestion management should be the primary goal of the proposed schemes rather than revenue generation.

6.11 RDC supports a well designed road pricing scheme combined with the implementation of other options as a means of combating congestion. RDC states that, aside from effectively managing congestion, any road pricing package should include measures to address the social impacts of road pricing, ensure that tolling methods provide value for money and ensure that revenue raised by the scheme is applied to public transport and to mitigating social impacts. Furthermore, RDC stipulates that a road pricing scheme should be preceded by the development of adequate public transport services.

6.12 Submissions from PDC and FDC both offer broad support for the continued investigation of the proposed schemes. PDC does however state that investment in public transport and other travel demand measures should precede the introduction of any road pricing and that revenue from the proposed schemes should be directed to funding transport initiatives in the Auckland area. FDC, while broadly supportive of the concept of road pricing as a congestion management tool, felt that the ARPES report contained too great a focus on the revenue raising potential of the schemes. In its opinion the revenue impacts should be very much secondary to the congestion management benefits.

6.13 The focus of the ARC submission is on the advancement of planned public transport upgrades prior to the introduction of any road pricing scheme. ARC states that the mandate for improved public transport is clearly defined in the recent Auckland Regional Land Transport Strategy. The rationale for improving public transport prior to introducing road pricing is related to the need to provide a viable alternative to private car use during peak congestion times. The ARC submission did note that road pricing could be a useful traffic management tool in the medium to long-term and as such the social and economic impacts of the proposed schemes warranted further investigation. ARC noted that a comprehensive review of education related traffic could assist in managing congestion.

6.14 The GWRC submission broadly supports the continued development of enabling legislation for road pricing as detailed in the Wellington Regional Land Transport Strategy. GWRC highlighted the need for further analysis on the social, economic and environmental impacts of the proposed schemes.

## 7 Conclusion

7.1 Of the 800 plus submissions received by the Ministry, approximately 75% were against road pricing as a means of addressing Auckland's traffic congestion. The extent of opposition was more marked among the individual submissions perhaps reflecting a focus on the private cost to them of the proposed schemes.

7.2 In cases where there submissions have indicated a level of support for road pricing, this tends to be conditional on investment in public transport or other viable alternatives including increased road capacity.

7.3 Submitters representing larger organisations and entities generally welcomed the ARPES report and the Ministry's initiative to address traffic congestion (although they did not necessarily support the schemes proposed in the report).

7.4 Key areas for the Ministry to focus on, in further developing the ARPES report and road pricing in general, that have been raised in the submissions include:

- Further consideration of a wider range of the likely social and economic impacts of road pricing;
- An assessment of the impacts of the proposed road pricing schemes from an equity perspective (i.e. across different socioeconomic groups and regions rather than on Auckland as a whole);
- Where investment in land transport (roads and/or public transport) fits with road pricing (i.e. does it precede it or will the revenue from road pricing be used to fund future investment?);
- An process aimed at educating the public on the purpose of road pricing for congestion purposes; and
- Further assessment of the counterfactual (i.e. no road pricing, for comparative purposes).

## 8 Appendix 1 – Sundry Statistics

8.1 The approximate volume of the individual and organisation submissions (as approximated by the number of pages received) is presented in Table 4. Note that Table 4 excludes the group of pro forma submissions.

**Table 4. Size of Submissions.**

Number of Pages	Number of Submissions	%
1 Page	466	66%
2 Pages	136	19%
2 - 5 Pages	68	10%
6 - 10 Pages	16	2%
> 10 Pages	18	3%
<b>Total</b>	<b>704</b>	<b>100%</b>

8.2 A number of submitters identified their location in relation to the proposed cordons. Table xxx summarises these details. Two thirds of submitters did not specifically reveal their location and are listed as “Not given”. Table 5 excludes pro forma submissions again.

**Table 5. Location of Submitters.**

Location	Number of Submissions	%
Resides within cordon	68	10%
Commutes from outside cordon to within cordon	115	16%
Travels through cordon	34	5%
Not directly affected by cordon	23	3%
Not given	464	66%
<b>Total</b>	<b>704</b>	<b>100%</b>

## 9 Appendix 2 – Major Submissions

Auckland Business Forum	NZ Business Council for Sustainable Development
Auckland City Council	NZ Business Roundtable
Auckland International Airport	NZ Council for Infrastructure Development
Auckland Regional Council	NZ Taxi Federation
Auckland Regional Land Transport Committee	Newmarket Business Association
Auckland Regional Transport Authority	North Shore City Council
Automobile Association	Northland Regional Council
Bike New Zealand	Papakura District Council
Cycle Action Auckland	Parking New Zealand Ltd
Duty Free Shopping Ltd	Property Council of NZ
Employers and Manufacturers Association (Northern)	Road Transport Forum New Zealand Inc
Franklin District Council	Rodney District Council
Greater Wellington Regional Council	SKYCITY Entertainment Group Ltd
Heart of the City	SmartGrowth
Hobson Community Board	Strategic Lift Ltd
Housing New Zealand Corporation	Tournament Parking Ltd
Manukau City Council	Waitakere City Council
McDonalds Ltd	Westfield NZ Ltd
Metro Parking Ltd	Whangarei District Council
National Road Carriers Ltd	